

**STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial & Insurance Regulation**

**In the Matter of:**

**Hallmark Home Mortgage, LLC  
7421 Coldwater Road  
Fort Wayne, Indiana 46825-3401  
License No. FL-0015704**

**Enforcement Case No. 08-5793**

**Deborah A. Sturges, President/CEO,**

**Respondent**

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**CONSENT ORDER REQUIRING COMPLIANCE  
AND PAYMENT OF FINES**

Issued and entered  
on Oct 7, 2009  
by **Stephen R. Hilker**  
Chief Deputy Commissioner


Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Regulation (OFIR) in this matter, the Chief Deputy Commissioner finds and concludes that:

1. The Chief Deputy Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, and the Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 PA 173, as amended, MCL 445.1651 *et seq.* ("MBLSLA").
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the Respondent's or party's Stipulation to Entry of Consent Order is reasonable and in the public interest.

4. All applicable provisions of the MAPA and the MBLSLA have been met.
5. Respondent violated Section 22(d) of the MBLSLA, MCL 445.1672(d).

Now therefore, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, **IT IS ORDERED THAT:**

6. Respondent shall pay to the State of Michigan, through OFIR, a civil fine in the amount of \$1,000. Respondent shall further pay the fine within 30 days of the invoice date as indicated on the OFIR invoice.
7. Respondent shall Cease and Desist from violating the MBLSLA.
8. Respondent shall accurately and truthfully complete any and all reports it is required to submit to the Commissioner including, but not limited to, annual reports, financial statements and applications for renewal of Respondent's license.
9. The Chief Deputy Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary and appropriate in accordance with the MBLSLA. Failure to abide by the terms and provisions of the Stipulation and this Order may result in the commencement of additional proceedings.

  
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Stephen R. Hilker  
Chief Deputy Commissioner

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**STIPULATION TO ENTRY OF CONSENT ORDER**

Hallmark Home Mortgage, LLC (Respondent) and the Office of Financial and Insurance Regulation ("OFIR") stipulate to the following:

1. On or about November 26, 2008, OFIR served Respondent with a Notice of Opportunity to Show Compliance ("NOSC") alleging that Respondent violated provisions of the Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 PA 173, as amended, MCL 445.1651 *et seq.* ("MBLSLA").
2. The NOSC contained allegations that Respondent violated the MBLSLA, and set forth the applicable laws and penalties which could be taken against Respondent.
3. Respondent exercised its right to an opportunity to show compliance at an informal conference held at OFIR on January 23, 2009.
4. OFIR and Respondent have conferred for purposes of resolving this matter and determined to settle this matter pursuant to the terms set forth below.
5. The Chief Deputy Commissioner of OFIR has jurisdiction and authority to adopt and issue this Consent Order pursuant to the Michigan Administrative Procedures Act, MCL 24.201 *et seq.* (MAPA), and the MBLSLA.
6. At all pertinent times, Respondent was licensed with OFIR as a mortgage broker and lender pursuant to the MBLSLA.

7. Based upon the allegations set forth in the NOSC and communications with the Respondent, the following facts were established:

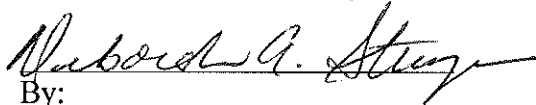
- a. On July 2, 2007, Respondent filed with the Office of Financial and Insurance Services, presently known as the Office of Financial and Insurance Regulation, an application for a first mortgage broker, lender, and servicer license certificate pursuant to Section 3(1) of the MBLSLA. The application was subsequently amended to a request for a mortgage broker and lender license certificate. Ms. Deborah A. Sturges was listed as the designated correspondent on the application.
- b. Page 2 of the Application listed Ms. Sturges as the sole officer and shareholder of the Respondent. Ms. Sturges certified that the information contained in the application was true and accurate to the best of her knowledge and belief. Based upon the information contained in the application and Ms. Sturges's certification, the first mortgage license application was approved on October 18, 2007.
- c. On November 8, 2007, Respondent filed with OFIR, a secondary mortgage registration application pursuant to Section 3(1) of the Secondary Mortgage Loan Act, 1981 PA 125, as amended, MCL 493.51 *et seq.* During the application process, OFIR received Respondent's "Certificate of Continued Existence and Ownership" (Certificate) dated February 27, 2008. According to the Certificate, 50% of Respondent's ownership interest is held by DBS Mortgage, LLC, and the remaining 50% is held by GWP Mortgage, LLC. The Certificate further indicated that since February 27, 2007, the owners of the Company have remained the same without interruption. Therefore, Respondent provided erroneous information in its first mortgage application by indicating that Ms. Sturges held 100% of its ownership interest.
- d. Respondent failed to disclose the officers, directors and members of DBS Mortgage, LLC and GWP Mortgage, LLC as required by the application. Respondent also failed to disclose that it was affiliated with DBS Mortgage, LLC and GWP Mortgage, LLC as required by the application.
- e. Moreover, Respondent through its President, Deborah A. Sturges, presented the first mortgage application attesting to the accuracy and truthfulness of the application in a Certification, which stated, "I hereby certify that the foregoing APPLICATION is true and correct to the best of my knowledge and belief. I understand that omissions or

inaccuracies may result in denial of the APPLICATION.” The certification page was notarized by a notary public who affirmed that the Ms. Sturges was the “person named in and who executed the foregoing application and made oath that the statements and representations set forth herein are true to the best of his/her knowledge and belief.” In addition, Ms. Sturges signed an Affidavit where she stated, “I, Deborah Sturges President of Hallmark Home Mortgage, LLC a limited liability company organized in the State of Indiana do hereby declare that I am duly authorized to file the foregoing application and that the statements and representations set forth therein are true to the best of my knowledge and belief.” The application, in fact, contained erroneous information as previously described above.

8. Respondent’s application required Respondent to disclose all shareholders, officers, directors, affiliates and/or members of the Respondent. In addition, Section 3(1) of the Act, MCL 445.1653(1), requires the Commissioner to conduct an investigation of the Respondent and its shareholders, officers, directors, affiliates and/or members. By failing to disclose all of its affiliates, shareholders, officers, directors and/or members, Respondent prohibited OFIR from properly conducting an investigation to determine if the experience, character, business reputation, and general fitness of the Respondent and its officers, directors, shareholders, partners, and affiliates command the confidence of the public and warrant the belief that Respondent and its officers, directors, shareholders, partners, and affiliates will comply with the law and that grounds for revoking, suspending, or denying a license under the MBLSLA did not exist.
9. Due to Respondent’s failure to appropriately disclose its affiliates, members and officers, OFIR was unable, at the time the license was issued, to comply with the requirements of Section 3(1) of the MBLSLA, MCL 445.1653(1), by conducting an investigation to determine if the experience, character, business reputation, and general fitness of the Respondent and its officers, directors, shareholders, partners, and affiliates command the confidence of the public and warrant the belief that Respondent and its officers, directors, shareholders, partners, and/or affiliates will comply with the law and that grounds for revoking, suspending, or denying a license under the MBLSLA did not exist.
10. Based on the foregoing, Respondent has suppressed, and/or withheld information that was relevant to OFIR’s determination of whether Respondent meets the requirements for licensure under Section 3(1) of the MBLSLA, and consequently, has violated Section 22(d) of the MBLSLA, MCL 445.1672(d).
11. Both parties have complied with the procedural requirements of the MAPA and the MBLSLA.
12. Respondent agrees to pay to the State of Michigan, through the OFIR, a civil penalty in the amount of \$1,000. The fines will be paid within 30 days of the invoice date as indicated on the OFIR invoice.

13. Respondent agrees to accurately and truthfully complete any and all reports it is required to submit to the Commissioner including, but not limited to, annual reports, financial statements and applications for renewal of Respondent's license.
14. Respondent understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval. The Chief Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Chief Deputy Commissioner accepts the Stipulation and Consent Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Consent Order. If the Chief Deputy Commissioner does not accept the Stipulation and Consent Order, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing. Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.
15. The failure to abide by the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Chief Deputy Commissioner, result in further administrative compliance actions.
16. The Chief Deputy Commissioner has jurisdiction and authority under the provisions of the MAPA and the MBLSLA to accept the Stipulation and Consent Order and to issue a Consent Order resolving these proceedings.

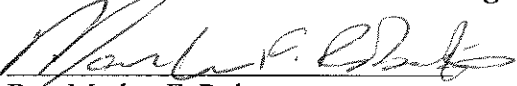
**Hallmark Home Mortgage, LLC**

  
By:

Its:

9-29-09  
Dated

**Office of Financial & Insurance Regulation**

  
By: Marlon F. Roberts  
Staff Attorney

10/5/09  
Dated